

**Workforce Safety and Insurance
Budget No. 485
Senate Bill No. 2021**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriations	260.14	\$0	\$68,747,842	\$68,747,842
2019-21 base budget	260.14	0	63,473,062	63,473,062
Legislative increase (decrease) to base budget	0.00	\$0	\$5,274,780	\$5,274,780

**SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS
Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes.			(\$1,821,876)	(\$1,821,876)
Added funding to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020.			1,435,111	1,435,111
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,426.74 per month.			1,130,985	1,130,985
Underfunded 6 FTE positions.			(1,012,252)	(1,012,252)
Reduced funding for operating expenses, primarily related to professional services and fees.			(2,332,176)	(2,332,176)
Added funding for Microsoft Office 365 license expenses.			14,988	14,988
Added one-time funding for the claims and policy system replacement project for releases 7 through 10 of the 20-release project.			7,010,000	7,010,000
Added one-time funding for the MyWSI enhancement project.			850,000	850,000
Total	0.00	\$0	\$5,274,780	\$5,274,780

FTE Changes

The Legislative Assembly approved 260.14 FTE positions for Workforce Safety and Insurance (WSI) for the 2019-21 biennium, the same as the 2017-19 biennium.

One-Time Funding

In Section 2 of Senate Bill No. 2021, the Legislative Assembly identified \$7.86 million of one-time funding for WSI during the 2019-21 biennium, of which \$7.01 million is for the claims and policy system replacement project and \$850,000 is for the MyWSI enhancement project.

Claims and Policy System

The claims and policy system is a program designed to replace core WSI business systems, which support injury services and employer services, with current industry web-based technology in order to improve customer service, enhance system maintainability, and provide enhanced reporting and accessibility to information. The claims and policy system program consists of 5 phases and 20 smaller projects, or releases, as shown in the schedule below.

Phase	Number of Releases	Status	Completion Date
Planning and analysis		Complete	June 2015
Shared components refacing	3	Complete	February 2017
Policyholder services application refacing	6	Incomplete	June 2021 (Projected)
Claims management system refacing	11	Incomplete	June 2026 (Projected)
Program finalization		Incomplete	June 2026 (Projected)

The schedule below provides the legislative appropriations from the workmens compensation fund for the claims and policy system project:

Biennium	Releases	Appropriation
2015-17	1 - 3	\$6,000,000
2017-19	4 - 6	8,120,097
2019-21	7 - 10	7,010,000
Total		\$21,130,097

Workforce Safety and Insurance anticipates additional funding will be needed in the 2021-23, 2023-25, and 2025-27 bienniums to complete the project and meet the June 2026 projected completion date. Workforce Safety and Insurance estimates total funding for the project will be approximately \$29.5 million.

MyWSI Enhancement Project

The MyWSI enhancement project was approved by the 2017 Legislative Assembly to create a secure extranet portal for injured workers, employers, and medical providers. The project will add functionality to the existing extranet, integrate claims and policy documents, add forms for collecting information, and add dashboards to access information. The project includes four releases.

The 2017 Legislative Assembly provided \$538,500 of one-time funding for releases 1 and 2 of the MyWSI enhancement project for the 2017-19 biennium. The 2019 Legislative Assembly provided \$850,000 of one-time funding for releases 3 and 4 of the project for the 2019-21 biennium, resulting in a total of \$1,388,500 provided for the 2017-19 and 2019-21 bienniums.

Related Legislation

House Bill No. 1064 - Statistical information report - This bill requires WSI to report statistical information and results regarding case processing standards and policies to the Legislative Management and the State Advisory Council each quarter.

House Bill No. 1072 - Agency penalties and fees - This bill allows WSI to charge a penalty of up to \$5,000 to employers who deduct any portion of premiums from the wages or salary of an employee eligible for benefits. The bill also allows WSI to charge a fee of \$250 plus additional penalties when an employer defaults in the payment of a premium, an installment of the premium, penalty or interest, or the filing of bonds. If a general contractor or a subcontractor willfully uses the services of a subcontractor precluded from operating under a cease and desist order, WSI may charge a penalty of \$5,000 and \$100 per day for each day the violation occurs.

House Bill No. 1073 - Injured employees dispute pilot program - This bill allows WSI to establish pilot programs to assess alternative forms of dispute resolution to resolve disputes with injured employees. Funding of up to \$50,000 from the WSI fund is appropriated to WSI on a continuing basis for payment of organization expenses associated with the pilot program.

House Bill No. 1240 - Pilot programs report - This bill requires WSI to report to the Legislative Management on the status of any current pilot programs and pilot programs completed within the previous 12 months.